

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DONALD L. HEDGES**, on January 21, 2003
at 8:10 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. Royal Johnson, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. John Esp (R)
Rep. Eve Franklin (D)
Sen. Bea McCarthy (D)
Rep. Dave Lewis (R)

Members Excused: None.

Members Absent: None.

Staff Present: Amy Carlson, OBPP
Jim Standaert, Legislative Branch
Diana Williams, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter refers to material immediately preceding. There was a technical problem with the recorder at the beginning so roll call was not taped.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None

Executive Action: Office of Public Instruction
State Level Activities

Prior to the executive action, the committee continued with clarifications and questions. The fiscal analyst also briefed the committee.

Questions from the Committee:

REP. LEWIS stated that the purpose to Exhibit 1 is to allow the committee members to see where OPI is spending their \$4 million a year that is allocated from the general funds. It is the 3rd level expenditure detail that compares 2000 and 2002. Exhibit 1 is an additional part to Exhibit 2 January 20, 2003 minutes.

EXHIBIT(jeh12a01)

REP. LEWIS asked OPI staff for clarification on the following:

#62134, honorariums; **Linda McCullough, State Superintendent**, stated that it is for eight teachers who get the \$3,000 as stipend for board certification.

#62411 through 62430; "What is involved in the out-of-state travel that totals approximately \$40,000?" **Madalyn Quinlan, Chief of Staff**, said it pays for the State Superintendent, Deputy Superintendent, distribution to school staff, expenditures for attorney, and State Assessment Director travel expenses.

#62801, Dues of \$27,000 in general funds; **Ms. McCullough** informed the committee that it pays for belonging to the National Superintendent Organization (NSO) as well as dues for NASDTEC which does the background check on teacher. By belonging to the NSO, the agency has gotten good information daily on federal information and a number of grants that are focused on helping the staff learn about assessments. Some travel cost is also paid. The cost for belonging to this organization has paid for itself several times over.

#62102, Consulting & Professional Services; **Ms. Quinlan** said it was for the audiology program, as well as a small portion for workshops that deal with assessments. **Bob Runkel, Administrator, Division of Special Education**, explained what the people do that are hired from this contract.

{Tape: 1; Side: A; Approx. Time Counter: 1.0 - 11.3}

SEN. McCARTHY wanted clarification on the two retirement funds. **Ms. Quinlan** informed the committee that some staff belong to the Teacher Retirement System (TRS) and some to PERS.

SEN. McCARTHY wanted to know the difference between the 62817, Meetings/Conference costs and 62332, Teleconference costs. The issue of comp. time was also addressed.

{Tape: 1; Side: A; Approx. Time Counter: 11.3 - 15.3}

SEN. JOHNSON wanted to know about #62875, MTP Bond Costs/Recovery. **Kathy Fabiano, Assistant Superintendent, Department of Operations**, said that is the cost recovery for the bonds that were sold by the State to purchase a new accounting budgeting system. The State sold \$16 million in bonds. The cost is being passed on to the agencies. It is paid out of the indirect costs pool presently so the federal programs are paying a share of it and is no longer an expense using general funds.

SEN. JOHNSON wanted to know how the audiology program is coordinated with the School for Deaf and Blind. **Mr. Runkel** said it is through a referral process. If the parents agree, the Outreach Program can assist with this program.

{Tape: 1; Side: A; Approx. Time Counter: 15.3 - 18.8}

Further questions and comments dealt with the audiology program.

REP. BUZZAS said that the document (Exhibit 1) shows that the OPI expenses have been reduced.

{Tape: 1; Side: A; Approx. Time Counter: 18.8 - 24.6}

Three pages addressed in this meeting, were part of Exhibit 3, January 20, 2003 minutes. They are page 7, 6 & 2 and are also Exhibit 2 for these minutes.

EXHIBIT (jeh12a02)

Amy Carlson, OBPP, briefed the committee. She explained the FTE chart, page 7 of Exhibit 2. She said that the Governor's budget is allowing for six FTE reductions, with three being removed and three being switched and this chart doesn't reflect that. The recommendations from OPI were taken into consideration when these reductions were part of the budget.

{Tape: 1; Side: A; Approx. Time Counter: 24.6 - 29.5}

{Tape: 1; Side: B; Approx. Time Counter: 0 - 0.7}

The other issue that **Ms. Carlson** addressed was the Norm Reference testing that is in the Governor's budget. Since it is still a State responsibility to administer the test, the Governor's office believes the State should fund it.

SEN. JOHNSON wanted to know the cost of administering the test in the last biennium. **Ms. Carlson** said it's about \$260,000 per year. (\$253,000 in the first year, \$263,000 in the second year.)

REP. BUZZAS wanted clarification on the FTE reduction. **Ms. McCullough** explained page 6 & 7 from Exhibit 2.

{Tape: 1; Side: B; Approx. Time Counter: 0.7 - 4.7}

Jim Standaert, Legislative Fiscal Division, explained the procedures that will occur for executive action. There will be three general fund decision packages, two priority fund decision packages, three additional language request to be part of HB2, and 9 or 10 federal funds decision packages.

Mr. Standaert further explained page 2, the State Level Activities , from Exhibit 1 January 20, 2003 minutes. These decision packages were designed to bring this agency to what the Governor recommended.

{Tape: 1; Side: B; Approx. Time Counter: 4.8 - 9}

Prior to executive action, **REP. BIXBY** addressed the committee about the Indian Education for All package.

REP. BIXBY said that OPI will make good use of the dollars and this program is an important part of their budget. Montana's Constitution addresses the unique cultural heritage of American Indians and the educational commitment to preserve the cultural integrity. Montana is the only state that has this language. HB 528 (now it is 20-1-501) that was passed in 1999 allows implementation of Indian education in our school systems. Through educating the young, the misunderstandings about Native American culture, heritage and language can be changed. This program provides the resources for the teachers to use to achieve that goal. She further stated that the young kids of today will be lawmakers in the future. Unless they are educated now, they are going to be making some decisions that are not good for Montana. She is asking the lawmakers not to cut the program any more.

{Tape: 1; Side: B; Approx. Time Counter: 9 - 16.8}

EXECUTIVE ACTION ON OFFICE OF PUBLIC INSTRUCTION
STATE LEVEL ACTIVITIES

Motion: REP. LEWIS moved to ADOPT THE FISCAL 2002 BASE FOR ALL FUNDING EXCEPT FOR GENERAL FUND AND STATEWIDE PRESENT LAW ADJUSTMENTS AS REQUESTED FOR ALL FUNDS.

{Tape: 1; Side: B; Approx. Time Counter: 16.9 - 17.2}

Discussion:

The committee members wanted clarification on this motion. It was decided that the action taken on January 16, 2003 addressed the general funds so this motion was withdrawn.

{Tape: 1; Side: B; Approx. Time Counter: 17.2 - 21.9}

Motion: REP. LEWIS moved to ADOPT THE FISCAL 2002 BASE FOR ALL FUNDING AND STATEWIDE PRESENT LAW ADJUSTMENTS AS REQUESTED FOR ALL FUNDS.

Vote: Motion carried 5-2 with REP. FRANKLIN and SEN. MCCARTHY voting no by roll call vote.

{Tape: 1; Side: B; Approx. Time Counter: 21.9 - 23.3}

Motion: SEN. JOHNSON moved PRESENT LAW ADJUSTMENTS AS SHOWN ON THE PRESENT LAW ADJUSTMENT CHART ON E-9 DO PASS.

EXHIBIT(jeh12a03)

Discussion:

This would include all Statewide Present Law Adjustments found on page E-9 in the Legislative Budget Analysis 2005 Biennium, Included in this motion are DP 30, Federal Grant Award adjustments; DP 45, Advanced Driver Ed Enterprise - Removal from HB2; and DP 7000, General adjustments including special session. The total here is \$783,497 in Fiscal 2004 and \$850,187 in Fiscal 2005.

Vote: Motion carried 7-0 by roll call vote.

{Tape: 1; Side: B; Approx. Time Counter: 23.3 - 25.8}

The decision packages (DP's) that dealt with New Proposals were addressed.

EXHIBIT (jeh12a04)

Motion/Vote: SEN. McCARTHY moved to PUT IN A STATEWIDE STUDENT ASSESSMENT WHICH IS \$253,250 IN THE FIRST YEAR AND \$263,250 IN THE SECOND YEAR DO PASS. (This is DP 13 and is in the Governor's budget. This will fund a contract for assessment testing done by Riverside Publishing Company. This testing will help fulfill the requirements of the No Child Left Behind Act as well as state requirements.) **Motion carried 7-0 by roll call vote.**

{Tape: 1; Side: B; Approx. Time Counter: 25.8 - 27.1}

Motion: SEN. JOHNSON moved to BALANCE ALL DP - NEW PROPOSALS BUDGET.

Discussion:

SEN. ESP would like DP 33 segregated out. SEN. JOHNSON said that would be okay. Motion was withdrawn.

Motion: SEN. JOHNSON moved DP 33 DO PASS.

SEN. ESP requested more time. SEN. JOHNSON withdrew motion.

Motion: SEN. JOHNSON moved DP 34 DO PASS.

Discussion:

SEN. McCARTHY said that since DP 33 is the only package that is requested to be taken out, the entire package except DP 33 could be moved.

SEN. JOHNSON withdrew the motion.

{Tape: 1; Side: B; Approx. Time Counter: 27.2 - 28.0}

{Tape: 2; Side: A; Approx. Time Counter: 0.3 - 0.9}

Motion: SEN. JOHNSON moved that DP 33 BE SEGREGATED OUT AND MOVE DP 34 THROUGH DP 7020 DO PASS. (See Exhibit 4 for details)

Vote: Motion carried 7-0 by roll call vote.

{Tape: 2; Side: A; Approx. Time Counter: 0.3 - 1.7}

Motion: SEN. JOHNSON moved DP 33 FOR THE PURPOSE OF DISCUSSION.

Discussion:

Nancy Coopersmith, Assistant Superintendent, Department of Education Services, explained DP 33, Federal Assessment Requirements. The No Child Left Behind Federal Act requires that Montana has a single statewide accountability system. OPI is requesting five FTE for this as well as operation costs associated with implementing this act. The minimum cost is about \$3 million per year.

EXHIBIT(jeh12a05)

{Tape: 2; Side: A; Approx. Time Counter: 1.8 - 6.4}

Ms. Coopersmith also discussed appropriations at the federal level. The federal appropriations hasn't been approved yet. OPI will not receive the funding until July 1 and Montana will receive a minimum of \$3 million. She noted that with this last appropriation (the current school term) it was \$3.7 million.

Substitute Motion: SEN. ESP moved DP 33 TO REFLECT WHAT IS ON THE SHEET (Exhibit 5) WITH THE EXCEPTION OF #3(provide additional technical assistance). INSTEAD OF \$100,000 FOR FISCAL 2004 IT WOULD BE \$600,000. IF THE FUNDS ARE AVAILABLE IN 2005 A LIKE AMOUNT IN 2005. IF THE FUNDS ARE NOT AVAILABLE IT WOULD GO BACK TO \$100,000.

{Tape: 2; Side: A; Approx. Time Counter: 6.4 - 8.1}

Discussion:

This motion would address the full funding of \$3.7 million.

REP. BUZZAS was concerned that limiting the additional \$500,000 to school for grants may be limiting the school district as to what they can do with the funds.

With this motion, more training and more assistance to local areas would occur. It is basically allowing OPI to do what they want with the federal funding and if they get \$3.7 million, it would be spent on additional technical assistance for the local schools. It would allow flexibility in the schools.

{Tape: 2; Side: A; Approx. Time Counter: 8.1 - 16.1}

SEN. JOHNSON referred to page 2 of Exhibit 2. He wanted clarification as to where these new positions would be placed.

Ms. Coopersmith explained that with most of the additional staff they would be part of the Measurement & Accountability section of the Educational Opportunity and Equity Division. A team approach would occur between some of the divisions.

{Tape: 2; Side: A; Approx. Time Counter: 16.1 - 18.3}

REP. BUZZAS believed that some of funding could go to video conferences, or Montana workshops. The way the motion is now, it limits how the monies can be spent. It may be more cost effective for the school districts to spend the additional money in Part II, Operational Costs #2 on Exhibit 5. (Training Montana Educators on how to use assessment data for classroom instruction.)

REP. FRANKLIN commented that there may be different definitions to what is meant by technical assistance.

Ms. McCullough believed that the additional dollars should be spent on the school districts' needs. If the \$600,000 is distributed to every school, that would allow each district 667 dollars. With this testing, new portions of the test will have to be written each year as well as additional subjects and grades, would have to be tested in the future.

SEN. JOHNSON explained that this committee is authorizing OPI to spend the money if it comes in. Providing technical assistance is one way of using the additional funding.

{Tape: 2; Side: A; Approx. Time Counter: 18.3 - 28.6}

Vote: Motion carried 7-0 by roll call vote.

{Tape: 2; Side: A; Approx. Time Counter: 28.6 - 29.5}

Motion: **REP. FRANKLIN** moved **\$60,000 EACH YEAR OF THE BIENNIUM TO SUPPORT THE 1999 POLICY THAT WAS PASSED AND WASN'T FUNDED.** (Indian Education For All package - page E-5 in the Legislative Budget Analysis 2005 Biennium. This is the proposal that wasn't approved.)

EXHIBIT (jeh12a06)

Discussion:

REP. FRANKLIN said that this program can't be cut much more. Schools have brought in cultural material that helps students understand diversity and acceptance. It gives the teachers the tools they need to offset the stereotypes that the Native American culture have had.

SEN. McCARTHY said that the gap between finding materials on Native American culture could be reduced since this program will begin to help fill the void for teachers by providing those materials.

REP. BUZZAS said that the Native American culture is a big part of our own history and culture in this state. We want our children to understand the culture of our state and how the native culture played in the development of our state and what those values are. Understanding takes place by presenting materials and having young kids ask questions. If funded this program would provide a central curriculum at the State that could be transferable to all districts. This is a cost effective way of teaching about Native American culture. She further explained that we need to honor those laws we passed in HB 528, which has been an unfunded mandate.

SEN. ESP explained that his priority is in funding the mental health jobs; \$60,000 a year is three case managers.

SEN. JOHNSON said that we are working with a billion dollar budget. OPI priorities lie in different areas and have decided not to approve this package. He will honor the educational priorities.

{Tape: 2; Side: A; Approx. Time Counter: 29.6 - 30.2}

{Tape: 2; Side: B; Approx. Time Counter: 0 - 8.9}

Vote: Motion failed 3-4 with **REP. BUZZAS**, **REP. FRANKLIN**, and **SEN. McCARTHY** voting aye by roll call vote.

{Tape: 2; Side: B; Approx. Time Counter: 9.0 - 8.4}

Motion: SEN. McCARTHY moved PL 46 & NP 47 DO PASS. (PL 46 is a present law adjustment. It is asking for an increase in the indirect cost pool budget and to fund two FTE in the Information Technology Services Division. NP 47 is a new proposal. It is for Advanced Driver Education program. This one deals with adult training and OPI manages the training for this. Both of these are included in the Governor's budget.)

EXHIBIT(jeh12a07)

Vote: Motion carried 7-0 by roll call vote.

Two additional language recommendations for HB 2 referenced on page 4 will be discussed on January 23.

{Tape: 2; Side: B; Approx. Time Counter: 8.9 - 14.4}

ADJOURNMENT

Adjournment: 10:15 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh12aad)